CONSUMERS' Guide

VOLUME IV, NUMBER 7 JUNE 14, 1937

CONSUMER STAKES IN SMOKE

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Issued every two weeks by the Consumers' Counsel, Agricultural Adjustment Administration, Department of Agriculture, Washington, D. C.

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NOT luck but law enforcement is responsible when consumers get full measure for their money and honest dealers are protected against the unfair competition that comes from short-weighing. So obscurely and quietly do most weights and measures officials work that few merchants realize this, fewer consumers appreciate it. Once a year Washington reminds the country of this essential consumer protection when weights and measures officials from all over the country gather for their national conference with National Bureau of Standards experts. Their conference this year occurred early in June.

"If the consumer movement is not getting behind you", Consumers' Counsel D. E. Montgomery told conferees in his address on Consumers' Interest in Adequate Weights and Measures Supervision, "it is only because the need of doing so has not been sufficiently brought home to consumers."

Consumers buy in the course of a year 19 billion pounds of potatoes, more than 21 billion pounds of meat, poultry, and eggs, more than 27 billion pounds of fresh fruits and vegetables, 15½ billion gallons of gasoline, 445 million gallons of lubricating oil. "All but a very small part of these enormous totals", Mr. Montgomery pointed out, "is measured out to the consumer in millions of small retail transactions across the counter. A very minor average error in weight or measure could mount up to a national total of very real significance. Only an insignificant fraction of the total amount of money involved in the transfer of this huge store of commodities to consumers would be required adequately to police the weights and measures aspect of these transactions."

Pointing up this fact are figures from the Bureau of Standards on what adequate weights and measures enforcement would cost in one State, Virginia. This averages 30 cents per family in a year, equal to the cost of 15 pounds of potatoes compared with the 770 pounds the family uses in a year, or 1¼ pounds of meat compared with its 650 pounds total consumption, or 2 gallons of gasoline out of 500, or 1½ quarts of lubricating oil out of 14 gallons. Any one of these items would meet the whole cost. "Certainly, if shown these facts", the Consumers' Counsel observes, "consumers will not object to the expenditure of 15 pounds of potatoes to assure themselves fair weight on all the potatoes they buy in a year and on all the other things they buy by weight or measure. If they average short weight by as little as ⅓ ounce on each pound of potatoes, this item alone would cost them as much as the annual assessment for adequate supervision."

Responsibility for making consumers weights-and-measures conscious rests largely with enforcement officials. Mr. Montgomery urged on them a consumer education program in each of their localities through consumer organizations. Consumers' Counsel Division will shortly send questionnaires to weights and measures officials over the country to elicit facts useful to consumer groups wishing to study the work of their local inspection service and appraise its efficiency against similar services in other cities and States.

SIGNIFICANT to consumers, too, was the address by Wisconsin's Chief Inspector Warner on the multiplicity of can sizes of canned foods, confusing to consumers, confounding to inspectors. "In a recent weights and measures school where nearly all of the participants were active weights and measures officials", Mr. Warner reported, "students were asked for an answer in writing to three questions: (1) Are you familiar with the trade designations for fruit and vegetable cans? (2) Name the trade designation of three cans. (3) How much does each of the cans named hold, or what is the capacity stated on the label? Results showed this: 25 were unable to make any answer; 5 stated that they were familiar with the trade names of the cans; only 2 were able to name three sizes and state what they held.

"If people who are trained in weights and measures work and who are constantly checking on packages that are sold in grocery stores do not know the trade designations", observed Mr. Warner, "it certainly is apparent that it cannot be expected that the housewife is going to know them. The argument in favor of our present system is sometimes to the effect that the cans are labeled with their contents. This is true, but this labeling does not mean very much to the purchaser; further, the purchaser cannot very well read the label until after the purchase is taken home, and then it is too late to do anything about it."

Fifty-four empty cans, bought from shops hither and yon over the country, exhibiting the confusion inevitable to consumers and the complicated job put upon weights and measures inspectors, were placed on display at the conference. Against these 54 cans were displayed 7 others, easily recognizable as distinct in size and capacity. Canners, Inspector Warner observed, could better serve consumers and at the same time cut costs by restricting their cans to the seven he exhibited.

Through the courtesy of Fortune Magazine, we publish on the cover of this issue a photograph by Richard Carver Wood.

A crack runs down this weather-worn wooden image of Sir Walter Raleigh, which once stood guard outside a southern tobacco shop, a reminder of the Elizabethan courtier whose influence contributed greatly to the spread of tobacco smoking throughout the world.

CONSUMER STAKES IN SMOKE*

Behind the smoke from cigarettes, cigars, and pipes are more than 400,000 growers, uncounted millions of consumers, and a handful of major corporations. Federal Trade Commission experts have been analyzing this great industry and now give to consumers for the first time comprehensive data on the spread between farm and consumer prices in their report which Congress ordered in 1935

PRESS a button on a cigarette case and a single cigarette pops out; a button, a catch, and a spring do the trick. A far more impressive performance is the delivery in 1 year of more than 150 billion cigarettes, 37 million pounds of snuff, and 4½ billion cigars.

More than a button, a spring, a catch, and a gadget are required to move this vast quantity of tobacco from growers to users. It takes 422 thousand farmers to produce all tobacco grown in the United States. It takes 87 thousand persons to process that part of domestically used portion of the more than 1 billion pounds of tobacco raised on 1½ million acres. Fifteen and a half thousand persons are engaged in the wholesale distribution of tobacco. In 1929 more than 33 thousand tobacco stores supplying tobacco users with tobacco dotted the streets of American cities. In addition, hundreds of thousands of drug stores, grocery stores, depots, department stores act as dispensers of these important consumer goods. In fact, almost every economic facility in the country devotes some of its time to tobacco. As much as 20 percent of all the money paid to the Federal Treasury in a year has come from excise taxes on tobacco. The tobacco industry is no pipe dream. The value of its products at the factory ranked seventh among all industries in 1930. Smoke realities today are major economic realities.

Twenty-six major types of tobacco are raised in the United States, each type the distinctive product of a particular region. To tobacco experts Virginia sun-cured tobacco is as different from burley as horses from apples. Tobacco derives its distinc-

*This is the second of a series of articles based on the Federal Trade Commission's inquiry into agricultural income. First of the series appeared in our May 17 issue.

tive characteristics from its environment, soil, climate, and method of cultivation. Dark fire-cured tobaccos, used chiefly in snuff, are grown in Virginia, Tennessee, and southern Kentucky. The Maryland variety, distinguished for its even burn, is mixed with other tobacco for use in cigarettes. Most important cigarette tobacco is the bright-yellow leaf tobacco, known as flue-cured, grown in Virginia, Georgia, and North and South Carolina. Cream-colored burley tobacco is grown in Kentucky and nearby States. Light in color and mild in taste, it, too, is an important ingredient of many cigarettes. Cigar tobacco comes from Pennsylvania, Ohio, Connecticut, Massachusetts, Wisconsin, and Minnesota.

Producing tobacco is a back-breaking, highly technical, and expensive task. The plant is delicate and fragile, susceptible to many diseases, and good tobacco is the result of unceasing attention by the grower. Tobacco growing begins in the early spring with the preparation of the seed beds. Seed beds are sterilized either by burning over or with steam, and generally are fertilized. Seeds are planted early in the spring under protective covers of a kind of cheese cloth. In late spring the plants are transplanted to fields, where the tobacco is encouraged to grow as rapidly as possible. During the growing period the tobacco requires constant cultivation; tops are removed to prevent the growth of seeds, "suckers" are pulled off to conserve the plant's strength. Good tobacco comes from plants bearing from 10 to 20 leaves.

Tobacco is harvested by plucking the leaves off the plant as they ripen or by cutting down the entire plant. After harvesting, the tobacco is taken to barns, where it is hung up for curing.

Three methods are used in curing tobacco: Air-curing, a method by which no artificial heat is used; flue-curing, by which the tobacco is cured with artificial heat but without smoke; and fire-curing, which is accomplished by heat and smoke. These methods are used for different kinds of tobacco. Air-cured tobacco, for instance, first becomes a deep yellow and then turns a reddish brown. Flue-cured is not permitted to turn brown at all, while fire-cured tobacco is often turned by an intense heat to a black or dark-green color.

After curing, the tobacco generally is packed into bulks where it is stored until marketing time. At the end of this period the bulks are pulled open and the tobacco is sorted into grades. Each grade is then tied into hands, or bunches, ready for marketing.

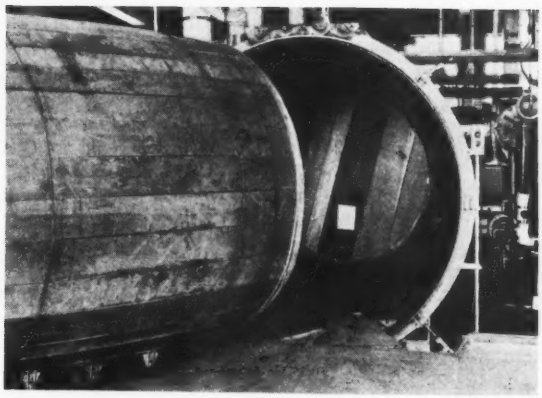
All of a year of back-breaking manual labor goes into the growing of tobacco for the market. At the end of this time the farmer sells his crop either at auction or on his farm to tobacco buyers who visit him. The tobacco is usually bought by manufacturers' agents or by middlemen who resell the product. Six percent of the tobacco produced in the United States is marketed through farmers' cooperatives.

Each buyer for the big processing companies buys for his own purposes according to his own system of grading. Although quality standards for tobacco set by the Federal Government are available, their use is not widespread. Because of this tobacco farmers sometimes receive less than they would receive if tobacco were sold by Government grades. Sharp-eyed speculators sometimes purchase badly assorted tobacco at less than its full market price, reassort it, and resell it the following day for a quick profit.

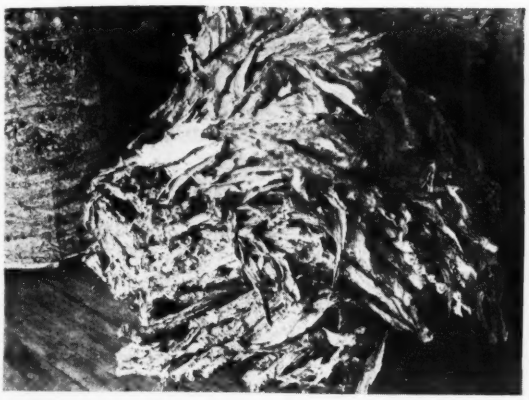
Preparing the soil, nurturing the young plants, transplanting, cultivating, harvesting, and curing tobacco—all these necessary tasks are costly, skilled, and tedious.

A crop which took a year to produce for market is gone in a few seconds at the auction where most of the tobacco which farmers raise for market is sold.

Tobacco for cigarettes, redried after its purchase, ages about 2 years in these hogsheads before it is processed.



At the end of the aging period, the hogsheads are wheeled into this machine where all air is pumped out.

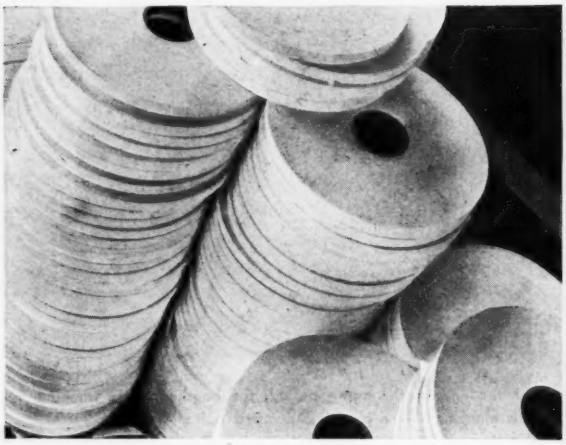


Stripped of its giant containers, the compact and tightly packed mounds of tobacco must be pulled apart.

A mixture of various types of leaves, according to formula, is placed in cages and carried through a steam bath.

Stems must be separated from the moistened leaves. In some factories this is done by machine, in others by hand.

Stemmed, the leaves next are flavored by spraying, passed through the cutting machine, and conveyed to the final process.



Shredded, flavored, and cleansed, the tobacco is ready now to be fed onto endless strips of white paper.

Long, white, tobacco-filled tubes are cut into cigarette sizes, weighed, inspected, and assembled for packaging.

Tobacco is processed into snuff by pulverizing; into smoking tobacco by shredding or granulating; and into plug chewing tobacco by compressing. Methods of manufacture of these types have changed little since Sir Walter Raleigh "tooke a pipe of tobacco a little before he went to the scaffolde." Since that time, however, cigarettes have become by far the most important tobacco product. About 48 percent of the 775 million pounds of tobacco processed in the United States in 1933 went into making cigarettes. Sixty percent of the manufactured value of tobacco products, totaling 909 million dollars, represented the value of cigarettes.

Cigarette tobacco is aged approximately 2 years. At the end of the aging period the hogsheads in which the tobacco was stored are pulled apart. The tobacco is placed in a cage which carries the leaves through a steam bath to make them moist and pliable and then to a stemming machine which separates the leaves from the stems. From there the tobacco goes to blending tables, where many varieties of tobacco are blended together in proportions to fit smokers' tastes. Leaves then pass through a cutter which slices them to shreds, and to vast drums where the tobacco is sprayed with flavoring solutions.

After a 2-day rest the tobacco resumes its trip through the factory, first through screens and magnets to remove foreign substances, then onto an endless strip of white paper where it is rolled into cigarettes, pasted, cut into cigarette sizes, piled into a weighing machine, packed, stamped with Federal Revenue stamp, and assembled into cartons. After the factory, cigarette history is much like that of any other commodity. The goods go to wholesalers, to chain stores, to retailers, and eventually over counters to consumers.

Tobacco distribution charted would look like an hourglass. The raw material originates on a vast number of small farms, goes to a much smaller number of tobacco middlemen, and then, passing through the thin neck of the hourglass, through the hands of a very few processors, and out again to wholesalers, to retailers, and finally to its millions of consumers.

To this tobacco hourglass the Federal Trade Commission has devoted most of its study. Technically and mechanically, tobacco presents no problem that engineers and technicians cannot overcome, but economically grave problems have arisen in the tobacco industry. These problems are not peculiar to tobacco alone. They are part of the great problem of distribution, how to get products from the farmer to the consumer, how to get a fair price to the farmer for his work, how to get a fair wage to the workers in industry, and how to get the products of farm and factory distributed at a reasonable cost to consumers.

Failure to solve this problem is reflected in the income of farmers and processors. Both the manufactured value of tobacco products made in this country and the income of the growers of tobacco suffered during depression years, but they suffered unequally. Manufactured value dropped from $1,246,000,000 in 1929 to $1,155,000,000 in 1931 and $909,000,000 in 1933. Compare now the serious collapse in income of tobacco growers, starting at $282,000,000 in 1929, falling off to $130,000,000 in 1931, and reaching its bottom level of $108,000,000 in 1932—a shrinkage of 62 percent from the 1929 level.

Correcting the unbalance which depression brought to tobacco farmers' share in consumers' dollars was Agriculture's adjustment program, not reported on by the Federal Trade

Commission. Already in 1933 the income of these farmers reflected the gains brought by adjustment, inaugurated that year by AAA, first through marketing agreements and later through production control. That year it was $70,000,000 greater than in the lowest of the depression years, 1932. Further gains to $225,000,000 came in 1934, and close to $237,000,000 in 1935. In addition to this income from sales, tobacco farmers who cooperated in the AAA program received benefit payments which in 1933 totaled $16,000,000; in 1934, $31,000,000; and in 1935, $13,000,000.

In 1931, when tobacco on the farm was selling at its lowest price in many years, processors advanced the price of cigarettes. Though fewer cigarettes were sold, processors made more profit per cigarette sold. Net income of the three largest tobacco manufacturers in the United States was $95,000,000 in 1929, $109,000,000 in 1930, $119,000,000 in 1931, $112,000,000 in 1932, and $52,000,000 in 1933. Net income of 14 tobacco manufacturers, likewise, increased during the early depression years, from $113,000,000 in 1929 to $132,000,000 in 1930, to $140,000,000 in 1931. The drop started in 1932 when their income was $136,000,000, then $69,000,000 in 1933. Profits in the years following 1932 were affected by AAA processing taxes. Proceeds of these taxes went to farmers and helped to increase their income directly as well as to finance the program of tobacco production adjustment. These devices—processing taxes and production adjustment program—served to correct the unbalance between growers and manufacturers of tobacco.

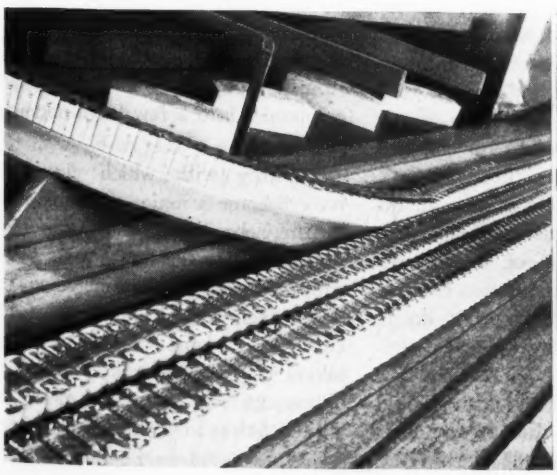
Throughout the depression, from 1929 through 1934, the average yearly rate of return on the investment used in tobacco processing by the 14 largest companies was 16 percent. In the least profitable year, 1933, it averaged 10 percent of the investment in the business. During this period tobacco farmers are estimated to have suffered serious losses; two large tobacco chain stores had an average net loss of 1.37 percent on the capital invested in their business, and tobacco wholesalers and jobbers received 4.4 percent on their business investment.

In seeking out reasons why these profits occur along with competition, the Commission investigated the control that each economic group in the tobacco industry exercised over the whole tobacco economy.

Simple numbers tell the story. Over 400,000 farmers produce all tobacco grown in this country. Of the 1934 crop, 13 tobacco manufacturers purchased 64 percent; 3 manufacturers purchased 46 percent; and 1 purchased 22 percent. Since 40 percent of the crop is exported, it is plain that 13 tobacco manufacturers dominate the purchase for domestic use of the harvests of 400,000 farmers. On the other hand, retail and wholesale distribution is almost as widely diffused as the production of tobacco. The six largest grocery chains sold only 8 percent, and the six drug and tobacco chains sold only 5 percent, of all cigarettes sold in the United States. At the neck of the tobacco hourglass 13 manufacturers have a tight grip on production and sales of practically all tobacco sold.

Concentration is even more startling when the record of specific tobacco products is examined. In 1934, three cigarette companies manufactured 80 percent of all United States cigarettes; three smoking-tobacco companies produced 65 percent of the smoking tobacco; three chewing-

Packaged, Revenue-stamped, and finally cartoned, the cigarettes are ready now to move on to consumer markets.



Not only farmers' and consumers' but workers' stakes are large in the tobacco industry which employs 87,000 workers.

tobacco manufacturers produced 69 percent of the chewing tobacco; and three snuff companies produced 95 percent of the snuff prbduced.

Cigars, unlike other tobacco products, are produced by a great number of separate companies, but there is evidence also of an increasing concentration in cigar manufacture. The number of cigar factories declined from 17,000 in 1914 to 5,000 in 1934, while the average production per factory increased from 419,000 to 830,000 per factory.

No evidence of collusion in the control of prices was spotted in any of the branches of the tobacco industry, except snuff, by the Federal Trade Commission. Prices of the most popular cigarettes, the Federal Trade Commission discovered, usually moved up or down together. When any one of the big three companies changed the price of its cigarettes the other companies fell in line within a few hours. The history of wholesale cigarette prices in recent years tells its own story.

Chief price competition which the largest three manufacturers have faced in recent years has been from the 10-cent package of cigarettes. When, in spite of declining prices which farmers received for tobacco, processors advanced the price of cigarettes in 1931 from $6.40 to $6.85 per thousand, several other companies, taking advantage of low leaf prices, began the manufacture and sale of cigarettes at 10 cents per package. For a while the 10-cent cigarette cut deeply into the sales of the three largest tobacco companies. To meet this new competition the tobacco companies cut the price of their products first to $6 then to $5.50 in February 1933. In January 1934 prices were raised again to $6.10 per thousand. By 1936, 10-cent cigarettes were in a weak position in relative volume of sales.

No illegal monopoly was discovered in the tobacco industry by the Federal Trade Commission. However, the Commission says, "The aggregate business of the Four Companies, particularly in cigarettes, is of monopolistic proportions, but since they operate separately they do not, in a legal contemplation, constitute a monopoly." Forcefully the Commission points out the relationship between the size of the companies and their economic position: "Since the dissolution decree of 1911, substantially the same companies have continued to dominate the tobacco industry. This fact might lead to the thought that cooperative activity among large manufacturers exists to a marked degree. The information developed, however, indicates that there are several economic factors which enable the large companies to maintain their positions and which make the growth of other companies difficult. These include the heavy financing required to carry the inventories of leaf tobacco necessary for volume production, and the internal revenue taxes which must be paid by manufacturers before the merchandise is sold; the elaborate and expensive storage and manufacturing facilities necessary; and the cost of advertising and promotive work which must be done to establish brands on a volume basis—the only basis which permits efficient and economical production and distribution. It is apparent from these factors that the continued domination of the industry by relatively few large companies is not necessarily the result of collusion among them."

High profits, such as those in the tobacco industry, the Federal Trade Commission points out, would ordinarily attract competitors. Competition then would force profits down, prices would be lowered, profit margins reduced, until in the end the returns in the tobacco industry would be no greater than those in any other industry. Although the Federal Trade Commission has discovered no monopoly, it is significant that this normal competitive sequence has not happened in tobacco.

There was a time when the United States Supreme Court declared the American Tobacco Co. to be an illegal monopoly and ordered the trust dissolved. At the time of this decree in 1911 the tobacco trust controlled the entire tobacco industry except for the manufacture of cigars. It owned tinfoil factories, factories manufacturing tin and wooden containers, and the only very large tobacco store chain in the country. It advanced to capture control in a new section of the tobacco industry by first purchasing one company and then using monopoly profits from its other activities to finance a price war against competitors. Competitors were either forced to sell out or be driven into bankruptcy. By this technique the American Tobacco Co. had gained monopoly control of practically the entire tobacco industry at the time of its dissolution.

Fragments of the old empire, however, survived as dominating companies in certain trade areas and commodities. For instance, today the three largest snuff companies, offspring of the old trust, divide the United States among themselves, each one supplying a particular part of the country. The sale of cigarettes by nationally advertised brands transformed the tobacco industry from a group of dominant regional companies into a few large national competitors.

Rapidity with which cigarettes have become a major economic factor may be gathered from a few statistics. For the last 4 years cigarette consumption has increased 12 billion each year. From 1920 to 1930 cigarette consumption increased 7.5 billion cigarettes a year. Only 8.5 billion cigarettes were smoked in the United States in 1910; in 1936 con-

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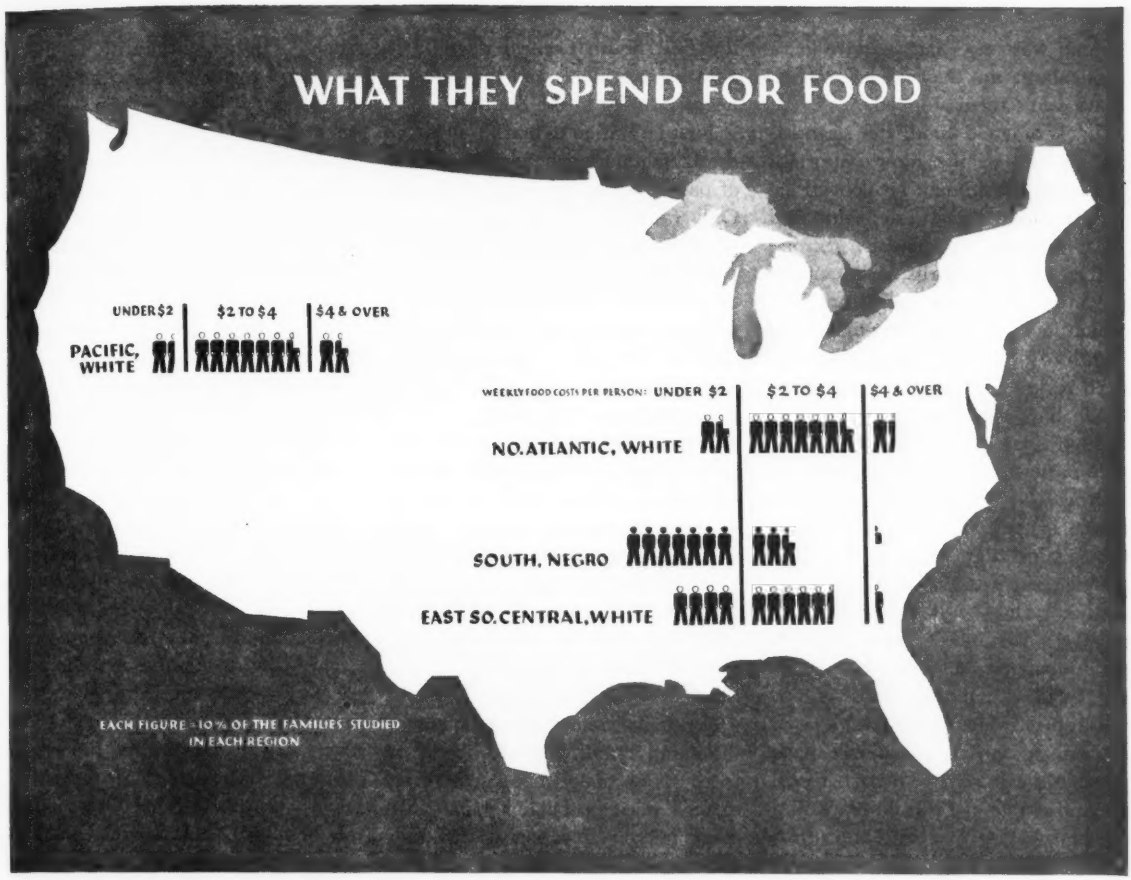


FOOD PATTERNS

More explorations into food-buying habits of workers in North, West, and South, throw the spotlight on the human erosion that grows out of low incomes and the handicaps such incomes impose

FOUR hundred years—your lifetime, your father's, and 14 generations behind him—is the span which nature needs to build just one inch of life-giving topsoil. Most of our foods and much of our clothing come from this top layer of earth, only 7 or 8 inches deep, covering the farms of our country. Loss of one inch can cut a deep slice off our soil wealth, make the production of food and clothing a more expensive thing, bring failure and want to the farmer. Yet one night's rain can—if uncontrolled—wash off an inch of soil which nature has taken 400 years to process for healthy plant growth, carry it away, and deposit it where no farmer can use it again.

Farmers know the tragedy of soil erosion. They know its waste, its costliness. They are learning how to control it. One special branch of the Government—the Soil Conservation Service—is devoted to showing them how. Another—the Agricultural Adjustment Administration—is devoted to encouraging them through large funds appropriated by Congress to put into effect better farming practices that will slow down this and other types of needless soil wastes.

Equally serious is another kind of erosion—the human kind—that goes on year after year. It's easy to see with the naked eye rains washing away rich earth from the hillsides. We rush to stop their damage. Not so easy to see is what causes the stunted bodies, dull eyes, bad teeth, crooked bones, hollow chests, sluggish bodies and spirits. But each year science is bringing to light more facts that point to the causes of these

human wastes. Each year we learn more about how they can be stopped, if we want them stopped.

Lack of good food, the scientists say, is one of the most important causes of this human erosion. Fine plants cannot grow from thin soil that has lost its nutrients. Strong bodies, joyous spirits, wise minds have difficulty in growing from food which lacks the stuff that makes for health. Not all the facts that we need to know about the qualities of food have been uncovered, but enough is known to arrive at a workable pattern for good nutrition.

Now the scientists are at work measuring this pattern of good nutrition against the actual diets which people are getting. No idle research is this. Out of it will come not merely a picture of how serious is the human erosion that is going on day by day, but a measure of our unsatisfied needs for different types of food, for incomes that will make possible the purchase of such foods, for knowledge of good nutrition and the best ways of selecting and utilizing foods, and a road map for agriculture in its planning for the future.

At the center of this important research is the Bureau of Home Economics, experts in the things that go to make up a good diet. Utilizing data collected by the Bureau of Labor Statistics on the actual purchases of food made by families of wage earners and low-salaried clerical workers living in different sections of the country, this Bureau has completed an estimate of the kind of diets many of these people are now getting and how near to or far from the mark of a safe level they come.

Last September (see Sept. 21, 1936, issue) we reported on the winter diets of such families in the North Atlantic area. The data we give here cover the yearly diets of white families in that area, and of similar families in the Pacific States, and in the East South Central region. In addition are facts on the diets of negro families in the South.

First limitation to mark well is that the facts reported here refer to diets of people with fairly steady incomes. Only families boasting one or more wage earners working a minimum of 1,008 hours in at least 36 weeks of the year, or one or more clerical workers earning not over $2,000 a year, are included. Below such income groups are many who are entirely unemployed or working a more limited period and whose food expenditures necessarily suffer greater limitations. Above them are people whose more ample incomes would naturally provide for better living. Expenditures for food by the people covered in the present study ranged from less than $1 per person per week to more than $6.

Size of income alone, obviously, does not determine how much money the family shall have to spend on food. How many mouths there are to feed must be balanced in. Furthermore, one member of a family may need more food or a different assortment of foods than another. Small children need more milk than grown-ups. Grown-ups need more meat than children. A construction worker, pulling or lifting heavy weights all day, needs more carbohydrates or fats than a desk worker. A nursing mother should have more milk than a stenographer. Such differences in age, sex, activities, must be carefully recorded so that in the final picture comparisons can be accurately and fairly made.

To make diet needs and habits comparable they have to be translated into a common unit. This the Bureau did by totaling up the nutritional needs of a moderately active man. Let the sum of these requirements, they said, represent one "nutrition-requirement unit." Nutritional needs of everyone else were then measured in terms of several such "requirement units." Thus a family of five people might be a family of 4.2 so far as protein "requirements" go. Comparing one family with another by comparing its "nutrition requirement" then made possible an accurate measure of the relative nutritional needs and consumption habits of different families.

No guesswork was allowed to creep into the record of food purchases by all the hundreds of families studied. Each of the families was visited by a trained agent of the Bureau of Labor Statistics. Before records were started, the agent helped the food buyer of the family to check over supplies already on the kitchen shelves, in pantries and cellars, and to mark these down in a special inventory. Records of every kind of food brought into the house were then kept for a whole week in each of the four seasons of the year. The agent checked with the food buyer every day to be sure the proper entries had been made. At the end of each week, an inventory of supplies on hand was made again, and differences between the two inventories added or subtracted from the food purchase record.

Every ounce of meat, every drop of milk, each egg and bean purchased must serve its nutritional purpose if purchases of food are to represent actual consumption. Wastes in preparing food in the kitchen and its consumption by the family are difficult to measure. These can be sizeable and have importance in any picture of actual consumption. In the main, however, they do not figure large in families, such as are covered in this story, who are forced to make every penny count and turn every ounce of their food purchases into strength and energy for daily work and living.

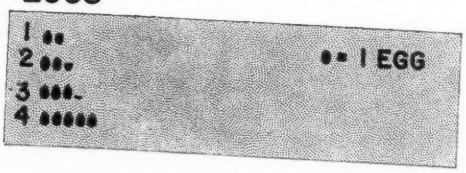
Now to the results. Food costs throughout this article refer to conditions in 1935 when prices were

NEGRO

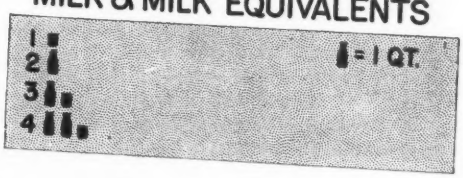
Quantities of some foods increase more than others as food budgets step up. These were the amounts of various kinds of food consumed weekly by each person in the North Atlantic workers' families when food expenditures in 1935 averaged per person:

1. . . . . $1.00
2. . . . . $1.50
3. . . . . $2.10
4. . . . . $2.80

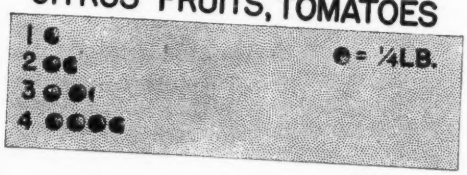
EGGS



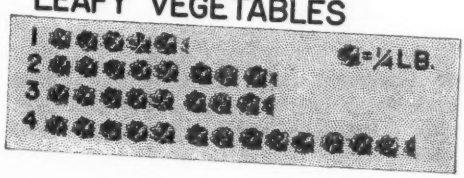
MILK & MILK EQUIVALENTS



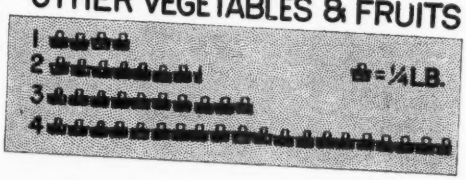
CITRUS FRUITS, TOMATOES



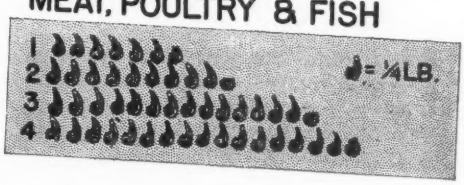
LEAFY VEGETABLES



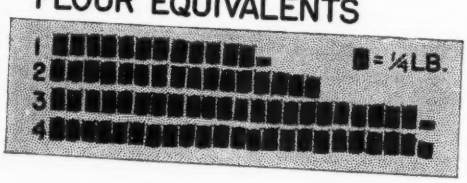
OTHER VEGETABLES & FRUITS



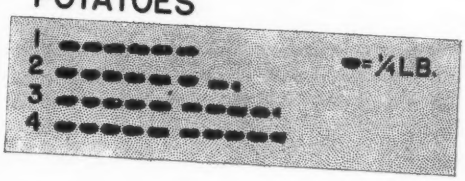
MEAT, POULTRY & FISH



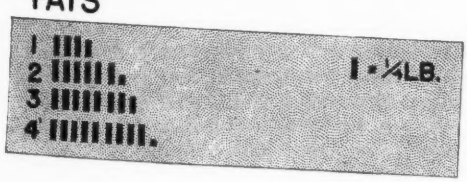
FLOUR EQUIVALENTS



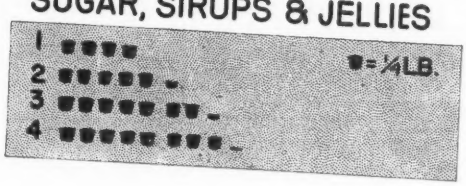
POTATOES



FATS



SUGAR, SIRUPS & JELLIES



about 5 percent lower than they are now. Incomes in general have gone up in the interval, too, but how much in the case of these families there is no precise record.

Question mark No. 1 to the researchers in this field is: Does the human erosion that comes from poor diets spring from too little money or from not knowing what and how to buy, and how to plan for a balanced diet? Facts on expenditures take first importance in answering such a question.

Wide differences show up in the money going for food in different sections of the country. Seventeen percent of the families studied in the North, 15 percent of those in the far West, the record shows, spent less than $2 a week for each person; that is, less than 9½ cents a meal for a moderately active man. Against the relatively few living at this low level in northern and western cities, high percentages were found in the South. Over a third (41 percent) of southern white wage-earner families, and more than two-thirds (70 percent) of the negro families lived on food that cost, per person, less than these 9½ cents.

Sums as small as this put harsh limits on the amount and quality of nourishment that is possible and a severe burden on the ingenuity of the family buyer. Actual records show just how the food buyers of the families spread their pennies over the weekly food purchases. Consider the northern white family spending from $1.25 to $1.87 per person, or an average of $1.60, per week. Spread over 21 meals a week, this means 7.6 cents a meal. Each person in this family got 3 eggs or less a week. His quota of milk, in one form or another, was 2.4 quarts; fats, as butter, lard, bacon, and such, less than two-thirds pound; meat, poultry, and fish, about 1.7 pounds; sugar, sirups, jellies, just under 1 pound. Tomatoes and citrus fruits—Vitamin C headliners—came to about two-thirds pound; leafy, green, and yellow vegetables, slightly under 1 pound; other vegetables and fruits came to 1¼ pounds. Tops on the diet, in quantity, were the starchy foods; flour equivalents, slightly less than 3 pounds; potatoes slightly over 2½ pounds.

Good diets, to the experts in human erosion, are not rated by their dollars, but dollars help greatly in achieving such diets. Eating at the Ritz can, though it is less likely to do so, result in as poor a diet as eating at a hot-dog stand. A wise buyer can achieve a top quality diet at a fraction of the cost of a carelessly selected meal, but the odds are heavy against it. Ingenuity and knowledge of good nutrition standards must work overtime when food money is scarce, if serious deficiencies in diet are not to show up in puny bodies. One of the valuable results of the present study is the light thrown on the importance of income and wise selection.

Examine into the quality of the diets of these workers in the North Atlantic area. Grade A diet the nutritionists define in terms of its minerals, protein, calories, vitamins. It is one that does not just meet minimum requirements of the body but provides in addition a generous margin of safety that will take care of special strains. Diets of only 2 out of every 100 workers in the group spending about $1.60 for each person a week measured up to the Grade A level. Thirty-seven out of every 100 reached the Grade B level, which has a lesser "margin of safety" in one or more of the important nutritional ingredients. Almost two-thirds (61 percent) were way down on the list as Grade C diets because they lacked even the "average minimum requirement" for one or more of the items which are an insurance against erosion. Sooner or later, if these practices continue, more than 6 out of every 10 of these people are going to have to pay for their diet deficiencies.

A slightly better proportion of diets in Pacific area cities among the workers whose food expenditures were on the same expenditure level measured up to Grade A standards. Against the 2 in every 100 in North Atlantic cities which were Grade A, there were 10 in the far West. Thirty-three reached Grade B and 57 were no higher than Grade C. Much the same distribution showed up in the same expenditure groups among white workers' families in the East South Central area and Southern Negro workers.

Now to the top of the list. Here are families which could afford $4 or more for the food for each person each week, a matter of 19 cents a meal. The map on page 9 shows the relative number who were lucky enough to have this much to spend for food.

Everyone in the family gets a very different diet on this higher expenditure level. In the North Atlantic group spending $4 per person, the weekly bill of fare for one person runs like this: 8.2 eggs; 4.1 quarts of milk; about 1 pound of fats; 4¼ pounds of meat, fish, or poultry; 1.6 pounds of sugar, jellies, sirups, etc.; about 3.8 pounds of flour equivalents; almost 3½ pounds of potatoes; about ½ pound of dried fruits or vegetables; almost 2½ pounds of tomatoes or citrus fruits; an even 2½ pounds of leafy green or yellow vegetables; and 4½ pounds of other fruits and vegetables.

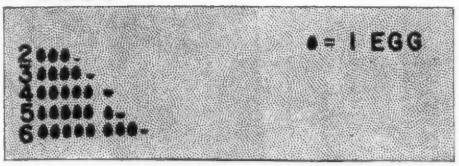
All down the list, it is the *protective* foods that loom larger in the diet than when food money is limited to the lower level of $1.60. Eggs more than doubled; milk equivalents nearly doubled; fruits and vegetables

WHITE

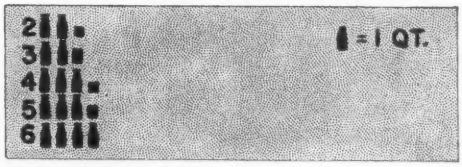
Quantities of some foods increase more than others as food budgets step up. These were the amounts of various kinds of food consumed weekly by each person in the North Atlantic workers' families when food expenditures in 1935 averaged per person:

2.	$1.60
3.	$2.20
4.	$2.67
5.	$3.40
6.	$4.00

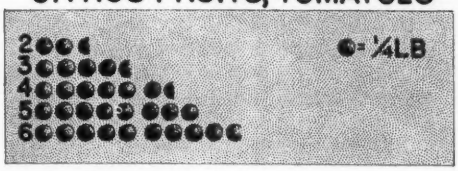
EGGS



MILK & MILK EQUIVALENTS

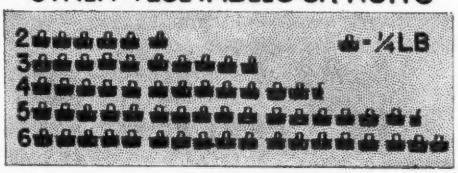


CITRUS FRUITS, TOMATOES

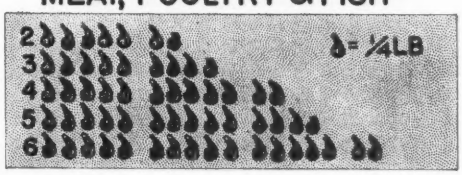


LEAFY VEGETABLES

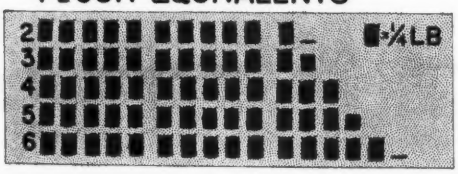
OTHER VEGETABLES & FRUITS



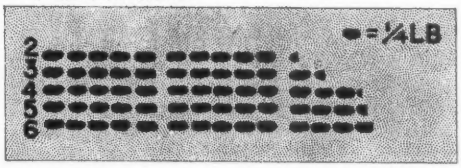
MEAT, POULTRY & FISH



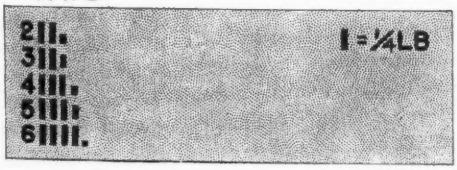
FLOUR EQUIVALENTS



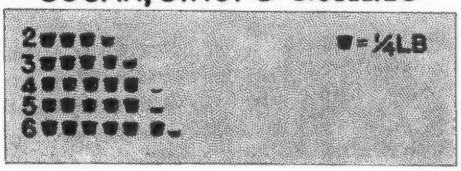
POTATOES



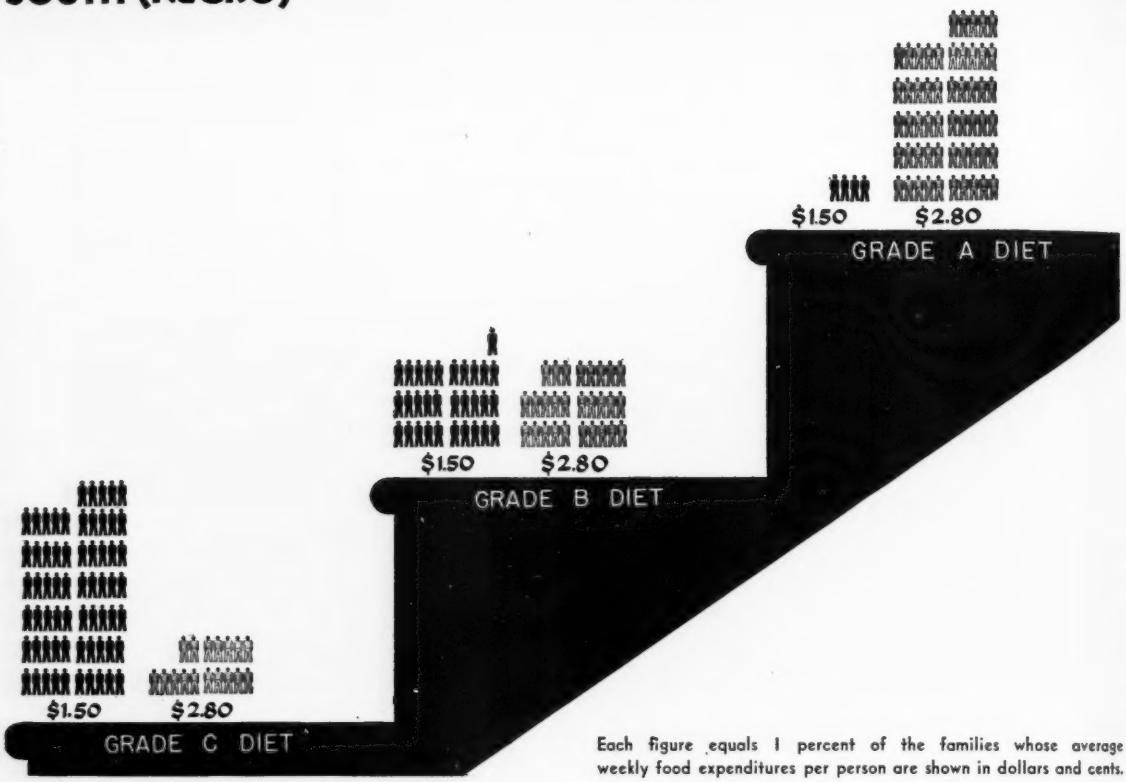
FATS



SUGAR, SIRUPS & JELLIES



SOUTH (NEGRO)



Each figure equals 1 percent of the families whose average weekly food expenditures per person are shown in dollars and cents.

HUMAN EROSION

Most Workers Achieve Grade A Only With Larger Food Budgets;

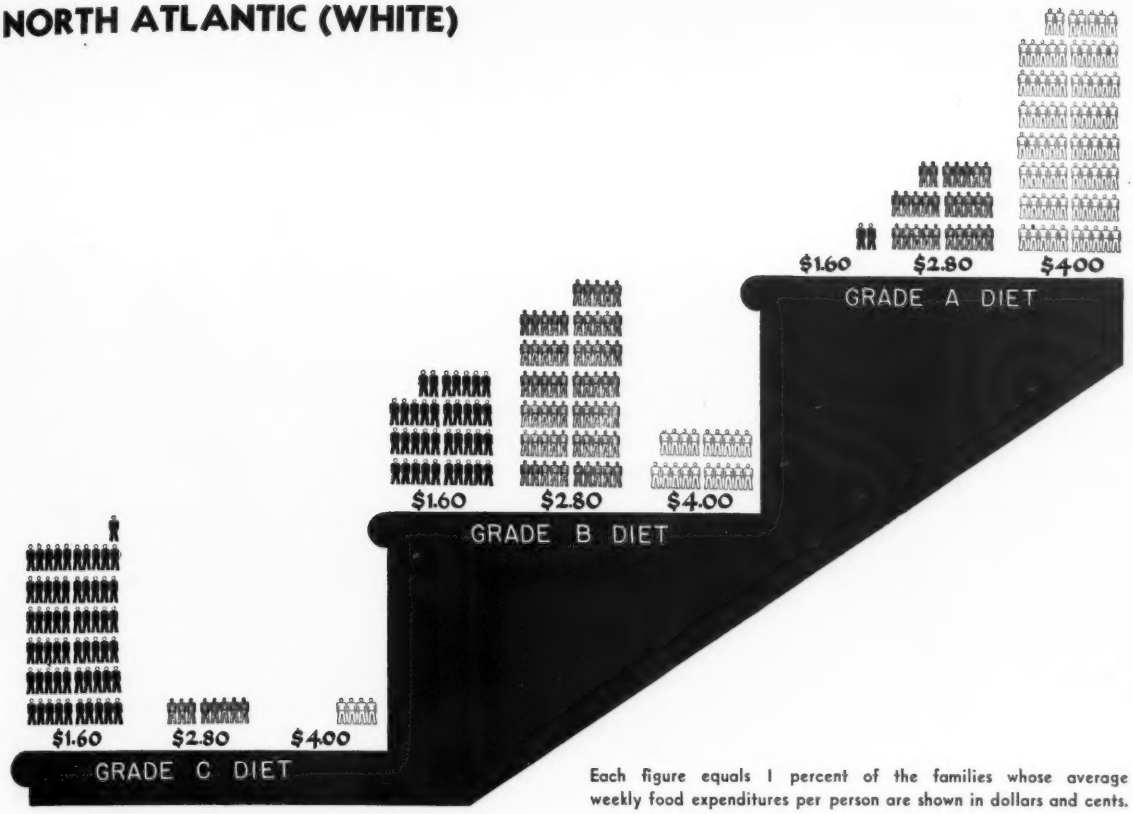
were triple the amount in the higher than in the lower expenditure level. Other types of food increased in amount, too, but in most instances not in such marked amounts.

Larger quantities, more of the protective foods, and better quality, make attaining a Grade A quality diet that much easier. Seventy-seven out of every 100 spending weekly $4 a person in the North Atlantic area achieved this Grade A diet; 19 reached the Grade B level; and only 4 were left on the Grade C level—against 61 out of every 100 on this level in the $1.60 group.

Pacific area families showed an even better record. Not one of the diets on the $4 level fell in the Grade C class; 78 out of 100 reached Grade A; 22 were Grade B.

Part, if not all, of the reason for this better record lay in the differences in the cost of fruits, vegetables, and meats. The first two come cheaper on the Pacific Coast than in the East. Meats are slightly cheaper in North Atlantic cities than in the West (the Coast). But is this true? At every level of food expense, the Bureau points out, Pacific families bought more fruits and vegetables, about the same amount of eggs and milk, but less meats, and a smaller share of their grain products in highly processed forms. Result: A diet of higher nutritive value for the money spent.

Food money—like wages—among



Each figure equals 1 percent of the families whose average weekly food expenditures per person are shown in dollars and cents.

SETS IN AT GRADE C

A Few, By Careful Selection, Achieve It On Reduced Budgets

southern workingmen's families, whether white or colored, does not come as high as in the North and West. Top cost level of the diets studied in this region ranged between $2.50 and $3.12 per person weekly or an average of $2.80. Just a few more than half (55 percent) of the diets of white and colored persons on this expenditure level reached the safety zone of Grade A. Among the white families 2 out of every 100 rated only Grade C, while 17 out of every 100 of the diets of the Negro families were worth only a Grade C mark.

"One or both of two conditions must be met", concludes the Bureau of Home Economics on these facts, "if higher levels of nutrition are to be attained by low-income families. Some families need more money for food. . . . Some families need to apply more effectively our present knowledge of food and nutrition to their food selection problems, and so get better diets with the money now available."

How to get those larger food budgets and that greater knowledge present urgent problems for a nation that cares as much about its human as its natural resources. Day after day, week after week, poor diets are taking their toll. It takes time to build a healthy body. It takes more time to undo the damages that come from neglect.

Buds, flowers, and fruit often put in an appearance simultaneously on one lemon tree. Because lemon trees blossom and bear fruit the year round, a single tree can produce as many as 3,000 lemons in 1 year.

ADD THE JUICE OF A LEMON

Both for flavor and Vitamin C, lemons deserve a place in the well-rounded diet, but this summer's lemonade consumers will have to pay for last winter's freezing weather

OLD-TIME medicine men were masters of ballyhoo, but they never plugged their wares half so hard as some men over the centuries have praised the lemon. Curative powers for this humble fruit, we know now, have been grossly exaggerated. Research has proved that, but it has also established the fact that lemons have rightful claims to fame. The British Parliament in the seventeenth century ordered lemon juice as a daily ration to protect sailors on long voyages from the deadly disease of scurvy, and science has since shown that the British had the right idea.

Lemons rank with other citrus fruits—fresh currants, strawberries, and raspberries—as an excellent source of Vitamin C. It is lack of Vitamin C that results in scurvy. An abundance of Vitamin C helps to keep down dentist bills.

High citric acid content, sweetened with a very small amount of natural sugar, is mainly responsible for the lemon's characteristic tart flavor. Contributing to this typical taste are the aromatic oils in the rind. These can be pressed out and used commercially in the manufacture of lemon flavoring extract—a handy product to have in the kitchen

cabinet. The rind goes to candy making.

Flavor is the quality that writes the lemon on most shopping lists. In pies and candies, in custards and cakes, in punches and ices, the juice of a lemon adds the sharp tang that makes for big consumer appeal. As a thirst quencher, lemon is champion. The Army recognized this asset when, during the World War, lemon drops were rationed out when water supplies ran short.

Known among botanists as the *Citrus limenia,* the lemon is a member of the citrus family. That is, the large group that includes the orange, lime, grapefruit, tangerine, and kumquat. The lemon originally lived in northwest India, but in the early part of the Christian era started wandering. It settled in southern Europe and took root principally in the island of Sicily. This little isle at the toe of Italy's boot held first place in lemon production until the United States entered the race and swept into a big lead.

Today California is *the* lemon-growing State—with no challenger in sight. At one time Florida shipped thousands of boxes of lemons yearly, but the great freeze of 1895 killed most of the groves. Now, except for a few groves of Villafranca lemons that provide fruit for local use and some local planting of the Perrine and Meyer lemons—both of rather recent introduction—the only lemon trees in the Gulf States are grown as ornaments in dooryards. Arizona ships a few thousand boxes of lemons yearly, but she can hardly be said to offer competition to California, which has 85 percent of the lemons consumed in the United States and Canada to her credit. Italy supplies the rest.

Between them, these two regions put lemons in the diets of the world. In the peak year of 1935 California harvested approximately 10 million boxes of lemons—double her output of 10 years earlier. This bumper crop meant glutted markets, for demand lagged behind supply, and growers received only $1.47 a box for their lemons, the lowest price recorded in more than a decade. A crop of 8 million boxes in 1935 righted the lemon cart, and growers reported $2.40 as the average price received for every box. Over 90 percent of California lemons come from the southern counties of the State, where groves occupy the best citrus-growing sites—those that are most nearly frost-free. Lemons win for themselves the choicest sites by being more susceptible to injury from low temperatures than the orange or grapefruit. Northern and central California counties contribute less than 5 percent of the whole lemon harvest.

Two varieties of lemon—the Lisbon and the Eureka—comprise the commercial crop of California. The trees, pruned to stand about 15 feet high, have evergreen leaves of a deep, glossy green and rather dense foliage. The fruit of both varieties, when ready for picking, is egg-shaped with a smooth rind of deep green, abundant juice, and few seeds. Although there are variations in shape, the Eureka and Lisbon lemons are enough alike so that packers make little or no distinction between them in the sorting process.

Similar though they are, the Eureka variety is gaining an edge in popularity over the Lisbon. Partly responsible for this preference is the

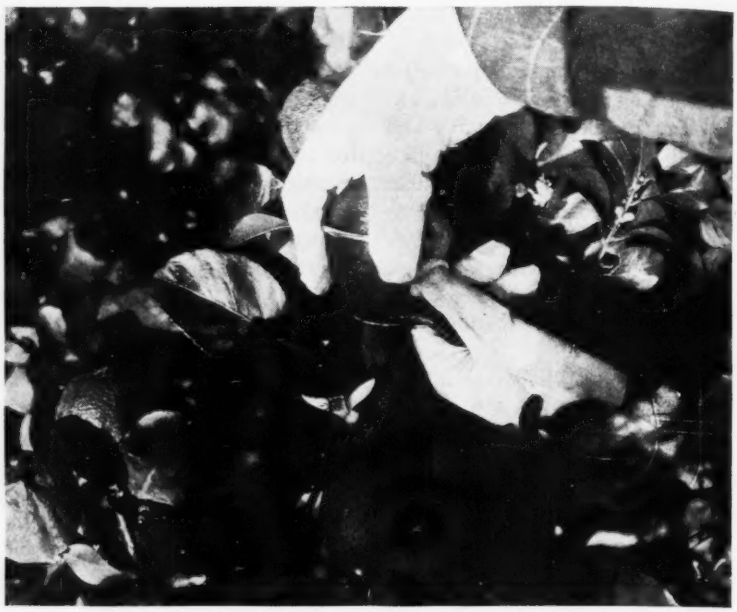
At the packing house lemons are taken from storage to be sized and packed for shipment. Both processes require hand work because of the irregular shape of the fruit. Packers select by eye lemons of various sizes as they travel along a conveyer belt.

fact that the Eureka yields are greatest in the late spring and summer when lemons are most in demand. Big Lisbon season is fall and winter. However, neither type of tree ever takes a real holiday. That is why one lemon tree can produce as many as 3,000 fruit in a year, and that is why you can see the surprising spectacle of buds, flowers, and fruit growing on one tree at the same time. Thanks to these industrious habits of growth, California can ship fresh lemons to market every day in the year.

No crop receives better care than the lemon. Every tree in the best groves is of pedigreed stock, being budded from a parent which is already producing lemons of the finest quality. Oddly enough, a lemon tree begins with the planting of *orange* seed for rootstocks. Later these seedling rootstock trees are budded with the *lemon*. That is, a bud from a lemon tree is inserted in a slit made in the bark of the rootstock about 2 inches above the ground. It grows into a shoot which eventually forms the top of the tree. This bud determines the kind of fruit the tree will bear, irrespective of the kind of rootstock—thus lemons grow upon an orange rootstock.

Young trees leave the nursery for the grove about a year after budding. Then irrigation, cultivation, fertilization, pruning—all costly processes—speed the lemon to full growth. However, it isn't as easy as that. The grower must keep an eye out for insect pests and about once a year cover the trees with canvas tents preparatory to fumigating. He must invest heavily in oil heaters to protect his trees from frosts in winter. Reward for his labor comes at the end of the seventh or eighth year when the tree begins commercial bearing. From then on the life of a good tree will closely approximate the life of man.

Eggs could not be handled more gingerly than lemons in the picking and packing processes. Because rough treatment means injury to the lemon rind with subsequent loss from decay, every picker wears gloves, clips, never pulls, the fruit from the tree. Lemons are picked by size, not by state of ripeness. Each picker carries a metal ring about 2¼ inches in diameter. This he slips over the lemon. Fruit that will not pass through the ring is of a size for picking, and goes into the basket irrespective of color—it may be dark green, silvery, or tree-ripe yellow. Smaller lemons are left for the next picking crew, who will cover the grove usually about 6 weeks later.



Size, not color, determines when lemons are picked. Any lemon too large to pass through a metal ring carried by the picker is ready for picking, whether the fruit be silvery, light green, or dark green. To avoid injuring the lemon skin, pickers wear gloves, clip, never pull, the fruit from the tree.

At the packing house sorters wash the fruit, removing culls and lemonettes—small-sized lemons—and separate the rest of the picking into as many lots as there are color classifications. These are stored until the lemons have lost their green color and taken on the waxy yellow of the highest grade lemons which you see in the markets. Then they are taken from storage and graded, sized, and packed—all three processes demanding hand work because of the irregular shape of the lemon. Packed lemons are sold on the basis of size as well as grade—the principal sizes being 240's, 270's, 300's, 360's, 420's, 442's, and 490's. These represent the number of lemons in a box, such a box usually weighing 76 pounds. You'll probably leave your order at the grocery for 300's, 360's, and 420's, as most consumers prefer these medium sizes.

Consumers who want value should look for lemons that are fine-textured and heavy for their size. These will be juicier and of better quality than lemons that are coarse-skinned and light in weight. Juice content is related to thinness of rind and, to some extent, to maturity. Deep-yellow lemons may be juicier, but they aren't so desirable as the light green-

yellow lemons. The latter have a high acid content, and acid is what we look for in this flavor food. Decay appears as a mold or discolored soft area at the stem end of the lemon or elsewhere. Remember that a mechanical injury to the rind makes the fruit subject to mold. Discard shriveled and hard-skinned fruits and those that are soft and spongy. In fact, you would probably not need prompting to follow this practice. In keeping lemons, try putting them in a jar of cold water. They will decay slower than they will if left in their wrappers.

Big headache of their industry—the marketing problem—many of the fruit growers have turned over to the experts of the California Fruit Growers Exchange, largest cooperative marketing organization in the country. Begun as the result of marketing difficulties with which individual citrus growers could not cope, the Exchange now markets about 95 percent of the State's lemons, has taken on such knotty problems as securing permanent water supplies for irrigation, controlling insect disease, improving methods of packing and transportation, etc. When overproduction threw citrus growers for a tremendous loss, the Exchange set to work on an advertising campaign to increase consumption. It educated the consumer in new uses for the lemon—as a tonic, an ingredient for salad dressing, a garnish for foods. The Exchange has even gone into the manufacturing business. To dispose of unmerchantable grades of fruit or surplus supplies which, if thrown on the market, would knock the bottom out of lemon prices, it set up the Exchange Lemon Products Co. This byproducts business has assumed huge proportions with its manufacture of citric acid, citrate of lime used in the printing of calico, and citrus pectin for jelly making.

Following a plan that remains almost unchanged today, groups of local growers joined together in packing associations to provide better packing methods, regulate grades, etc. These associations, in turn, banded together so that through district exchanges they could secure a higher marketing efficiency for their products than they could alone. District exchanges then consolidated in a central marketing organization, the present California Fruit Growers Exchange, so that efficiency might further be increased. The policies of the Central Exchange are controlled by the growers themselves, for the local associations have representatives on the board of directors of the district exchanges, which in turn are represented on the board of the Central Exchange. The Exchange renders all its services to the local associations of which the individual growers are members. All returns for fruit go to the growers, except for handling and selling charges.

Of interest to consumers are the Exchange's activities in seeing that all fruit shipped measures up to certain grade regulations. Thus consumers are guaranteed citrus fruit of standard size and quality. Through its highly efficient sales organization, the Exchange sees that lemons find their way to every out-of-the-way hamlet in the country the year round.

Luckily, when consumer throats are dryest, lemonades are longest. For although California ships lemons every month in the year, heaviest shipments reach the markets during the summer months. This is the time when cooling drinks of lemonade and dishes of lemon ice are in order. Consumers use three times as many lemons in the May-to-August stretch as they do from November to March, but they pay more for them, too. This is because, with lemons, demand always keeps a jump ahead of supply. About the only thing that can change winter prices is an influenza epidemic. Consumers still doctor their colds with a good old-fashioned glass of hot lemonade.

Significant fact about consumer demand for lemons is its inelasticity. Consumers don't buy more lemons when prices are low, nor do they stop buying when prices climb upward. Apparently, if you want lemon pie for dessert, you aren't going to be put off with chocolate or apple, even when these are cheaper. Of course, this firm stand is possible only because the cost of the lemon is a relatively small part of most lemon products. The slice of lemon in your tea isn't going to cut a big slice out of your budget.

Inelasticity in demand means that a shortage of lemons sends prices skyrocketing. A small surplus, with no new buyers, knocks the bottom out of the lemon market. That is why, imports and temperature remaining constant, too big crops spell ruin for growers. That is why the California Fruit Growers Exchange, by limiting shipments of lemons, has saved many growers from ruin.

What the price of lemons will be this summer only a weather prophet can predict. For prices fluctuate wildly with temperature changes. A heat wave, a mighty thirst for lemonade, and high prices go hand in hand. However, it's a pretty safe bet that consumers will pay more for a dozen lemons this summer than they did in 1936, due to last January's frost damage. Freezing weather took a heavy toll—reports indicating that production for the 1937 season will fall short of the 1936 mark by 2 million boxes. Already the consumer has felt the effects of this shortage, having paid about 3 cents more a dozen for lemons during the first 3 months of this year than he did over the same priod last year. Average price per dozen this year has been 32 cents.

Consumers have to thank a young army of women, children, Mexican laborers, college students, and fruit

[Concluded on page 22]

Your Food Supplies

CANTALOUPS and tomatoes occupy the spotlight in the June fruit and vegetable calendar. June also marks the opening of the season for blackberries, raspberries, apricots, peaches, and plums.

Unseasonal advances in prices of fresh fruits and vegetables were primarily responsible for the 1 percent rise in average retail food costs from April 13 to May 18. Prices of dairy products were slightly lower and eggs—normally rising in price at this time—moved down sharply during the month. But these declines were offset by the marked advance in fresh fruits and vegetables and moderate increases in meat and bread costs. This third consecutive jump in bread prices carried the price to its highest level since 1930, with the exception of December 1935, when there was a processing tax on wheat, and bread prices reached the same level as is now reported in the United States average.

Retail food costs in general have gone up almost every month since last November and are at their highest level since January 1931. Costs now are 8.3 percent higher than a year ago, but the increase is due primarily to an 18.6 percent jump in fruit and vegetable prices. The smaller advances over May 1936 in other food groups are: Eggs, 3.6 percent; cereals and bakery products, 4.9 percent; fats and oils, and dairy products, 6.4 percent; and meats, 7 percent. On May 18 the index of costs as reported by the Bureau of Labor Statistics stood at 86.5 of the 1923–25 average, compared with 62.5 on May 15, 1933, and 102.4 on May 15, 1929.

Unfavorable weather delayed maturity of vegetable crops about 2 weeks, reduced production of early varieties, and helped to raise prices. Short supplies of quality apples and California Valencia oranges boosted fruit prices. Unusually heavy production pushed down egg prices to their lowest level of the year.

Unless meat prices advance materially, there is a good possibility that food costs in general may decline slightly this summer. Fruit, vegetable, and poultry prices probably will go down, while only slight increases are in prospect for eggs and butter. No further sharp advances in bread prices are anticipated. Beef prices are the major uncertainty in meats. Lamb prices probably will go down, while hog prices most likely will move up. But the extent of the price change in each of these groups remains uncertain.

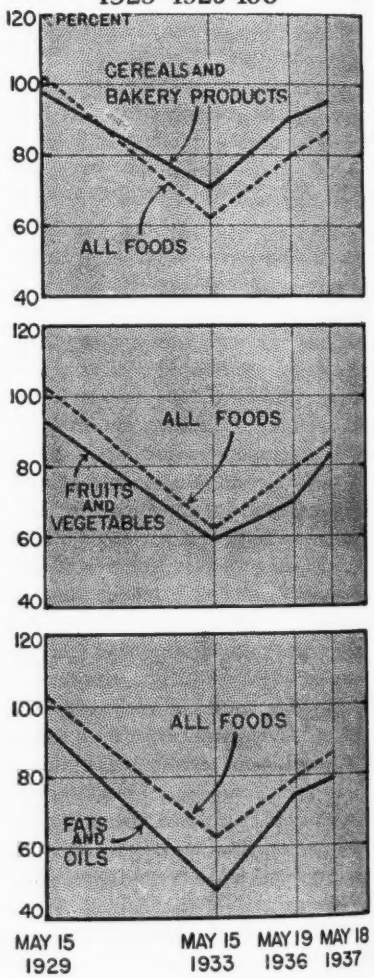
Cantaloup season swings fully under way in June. Most June melons come from California, where a crop much larger than last year is expected. Heaviest marketings from this area are due after the middle of the month. Light supplies in recent weeks have been due to late maturity of melons. Monthly increases in marketings are in prospect from now until August, when shipments usually reach their peak. The trend in prices during this period ordinarily is downward.

Tomato marketings are expected to be close to their peak this month, and prices probably will go down. Ordinarily peak movement of tomatoes occurs in June. Since vegetable crops are maturing later than usual, heaviest shipments may come in early July. Supplies this June are estimated to be slightly larger than a year ago.

Snap- and lima-bean marketings in June are expected to be larger than a year ago, but cucumber supplies probably will be slightly smaller. Cucumber marketings usually are at their peak during June. Snapbean shipments are slightly below their high point of the year. Unfavorable weather conditions, which reduced production of early maturing beans and cucumbers, were mainly responsible for recent high price levels. The outlook is for lower prices for both commodities.

New potato marketings are unusually large. Production in the States shipping this month is much heavier than a year ago and the largest on record. Heavy marketings have caused a sharp reduction in

A PERSPECTIVE OF FOOD COST CHANGES
1923~1925=100

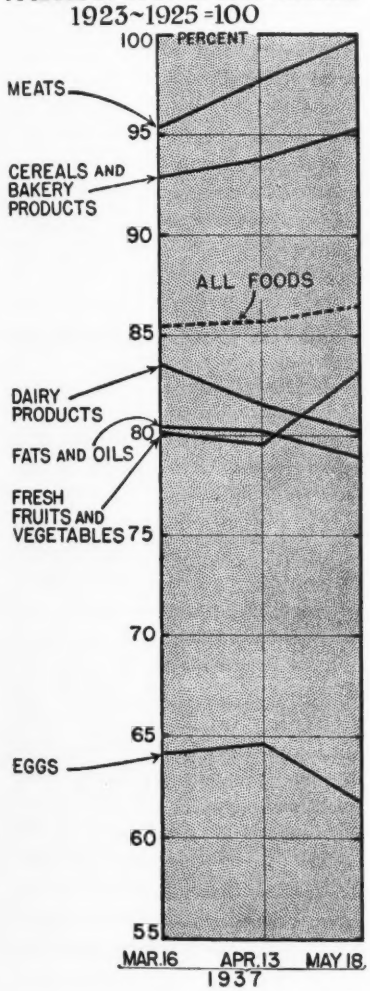


and Costs . . . . . .

wholesale prices, and further declines may be expected until the low point is reached in August. Heaviest shipments of new potatoes usually occur in June and July. Retail potato prices dropped another 0.1 cent per pound from April 13 to May 18 and are only slightly higher than a year ago.

Orange and lemon prices most likely will go up more than usual this summer and fall. The current lemon crop is the smallest since 1924, and relatively high prices are in prospect during the warm summer months. The Florida orange season will be over by the end of this month, leaving only California Valencias available for marketing. Production of California Valencias was reduced sharply below the 1936 level by freezes early this year. Retail orange prices went up over 1 cent a dozen while lemon prices remained unchanged from April 13 to May 18.

A CLOSE UP OF FOOD COST CHANGES
1923-1925=100



Fresh-killed broilers and fryers are now coming to market, and a seasonal price decline is in prospect. Poultry prices ordinarily come down in the summer and fall, dropping most during the last quarter of the year. The decline this year may be smaller than usual. Retail poultry prices advanced seasonally about one-half cent a pound from April 13 to May 18. The price was only slightly higher than a year ago.

A smaller than usual advance in egg prices is expected from now until November, at which time the high point in egg prices ordinarily is reached. Due to heavy production and relatively small current consumption, considerable quantities have moved into cold storage. Heavy storage stocks have tended to cause a downward movement in prices during the past month instead of the usual rise. From April 13 to May 18 retail egg prices dropped 1.6 cents per dozen to reach their lowest level of the year. Prices, however, were about a cent a dozen higher than a year ago. Only slight advances are expected in June.

Low point in butter prices probably will be reached this month. No sharp price advances, however, are expected until September. June usually is the peak month in butter production and November the low point. Butter production this summer probably will be larger than a year ago unless drought conditions recur. Prices during the summer probably will be at about the same level as last year. While the average butter price to consumers went down 1 cent a pound from April 13 to May 18, it was 5 cents a pound above last year's level.

Hog prices advanced sharply during mid-May as a result of a marked reduction in marketings. Prices probably will continue to advance during the summer months as slaughter registers further declines. Reduction in slaughter will be offset by relatively heavy storage holdings of pork and lard so that total supplies may not be much different from a year ago.

Chops and loin roast registered the major retail pork price advances during the monthly period when they went up about 2 cents per pound. Smoked items were practically unchanged in price, while lard went down one-half cent per pound.

Lamb prices are expected to move down after the end of this month. Recent high prices have been due to a delayed movement of the spring lamb crop. If lamb prices follow their usual trend, prices will go down through October. Retail lamb prices remained practically unchanged from April 13 to May 18. This was the first period since last February in which no sharp increase has occurred. Lamb is retailing at about the same price as a year ago.

Lower grade cattle ordinarily decline in price during the summer and fall when marketings of grass-fed cattle increase seasonally. The decline this year probably will be smaller than usual because of an expected heavy demand for cattle to replace those slaughtered as a result of last year's drought.

Retail beef prices continued upward from April 13 to May 18.

Roasts went up about three-quarters of a cent per pound, while steaks were a cent per pound higher. Steaks are about 5 cents a pound higher than a year ago, while roasts are up 3.5 cents per pound.

Higher white bread prices in 28 cities caused the national average retail price to jump 0.2 cent to 8.6 cents per pound loaf from April 13 to May 18. The May 18 price equals the highest price reached during the processing tax period in December 1935. It is higher than any other price since the summer of 1930. Course of bread prices during the last half of 1937 will be influenced by the size of the wheat crop now growing. If production is as large as expected, flour and bread prices probably will move down.

CONSUMER STAKES IN SMOKE

[Concluded from page 8]

sumption had increased to more than 150 billion. The use of smoking tobacco declined from 209 million pounds in 1910 to 193 million pounds in 1934. The average yearly production of cigars from 1906 to 1910 was approximately 7 billion; by 1934 this had declined to 4½ billion. Only other tobacco product to gain from 1910 to 1934 was snuff; 31 million pounds were used in 1910, 37 million pounds in 1934.

Analysis of the price paid for a package of cigarettes in 1934 reveals that the cost of tobacco is of minor importance in the cost of a package of cigarettes. Of the average retail price of 12.82 cents per package the farmer received 1.49 cents, the processor 2.61 cents, the Government 6 cents in the form of excise taxes, and the retail and wholesale distributors 2.72 cents. These figures do not make allowances for the processing tax paid by processors or benefit payments received by farmers who cooperated in the AAA tobacco program.

The price of cigarettes has no direct relationship to the cost of the labor and tobacco that go into them. In 1931, when wages were moving downward, when tobacco prices on the farm had fallen lower than they had in years, the price of the most important brands of cigarettes was raised. Too, while the most important brands of cigarettes sold by the four largest cigarette companies retailed for the same price, no two of these tobacco companies paid the same price for its tobacco. The cost of the domestic tobacco used in the principal brands of cigarettes ranged from 20.92 cents per pound to 26.44 cents per pound in 1934.

Control of the hourglass neck of the tobacco industry by the tobacco processors perhaps permits them to dictate their own prices, but the Federal Trade Commission report makes clear the fact that the manner in which this control is used is not forbidden by existing law.

Only possibility of increased competition would come from the 10-cent cigarette. Encouragement to such competition might come, the Federal Trade Commission suggests, in changing the tax on cigarettes from one based on the number, regardless of value, to a tax on the value of cigarettes. In this way lower taxes on a 10-cent package might force down prices of major brands.

On the other hand, the Federal Trade Commission report suggests that farmers might secure more of the consumers' dollar for themselves by organizing into tobacco marketing cooperatives and by selling their tobacco by Government grades. Government grading of tobacco is one of the best assurances farmers can have that the prices they receive will reflect the quality of their products.

Central fact of the tobacco industry, then, is the concentration of economic control. A few large concerns have their hands on the neck of the bottle, and all tobacco moving from producers to consumers must pass this way. While it is true that processors have made large profits at a time when farmers' net income after costs of production have been deducted has been little or nothing, this alone does not mean that the processors are responsible for the farmers' plight. Nothing in its study indicates to the Commission that there has been any illegal price fixing either on the farm or in the city, except perhaps in the case of snuff. By its nature the tobacco industry seems to encourage the development of large economic units, and these large units result in centralization of control and lessening of competition. The Federal Trade Commission report suggests that on one side farmers might better their position by organizing cooperatives. On the other side it recommends that Congress consider a change in the tobacco tax to encourage competition.

ADD THE JUICE OF A LEMON

[Concluded from page 19]

growers that lemons are still within reach. It was these people who mobilized last winter to war on the frost that threatened to wipe out southern California's $100,000,000 citrus crop. When the thermometer dropped to the lowest temperature recorded in 15 years, they lighted the smudge pots in the fields and tended them day and night. So dark was the cloud of smoke that soon settled over groves and nearby villages that autos and streetcars kept their lights burning 24 hours out of the 24. Had there been delay in starting the fires the lemon crop would have been destroyed, for lemon trees are more sensitive to frost than any of the other citrus fruits. Then it would have been a long time between drinks of lemonade.

EDUCATORS who want suggestions as to the type of material which should go into adult consumer education classes would do well to read the article, "Food-Buying Practices—a Symposium", in the June 1937 issue of the *Journal of Home Economics*. This article gives information on such questions as "How Efficiently Does the Ordinary Homemaker Do Her Food Purchasing?" "Is She Satisfied With the Food-Buying Situation?" "How Do Purchasing Habits Vary in Different Regions or in Communities of Different Types?" The symposium contains reports on two studies of buying practices. The first was made in Yoakum (Tex.) Independent School District and covered 50 urban and 50 rural homemakers. The second was made in Cumberland County, Pa., and involves the study of 44 homemakers, and 72 high school pupils who had made some study of home economics. Each study concludes with a set of recommendations for consumer education courses based on the findings of the study. Reprints of this symposium may be secured for 10 cents by addressing the American Home Economics Association, 625 Mills Building, Washington, D. C.

STUDY QUESTIONS FOR THIS ISSUE

1. How many weights and measures inspectors are there in your community?
2. How much did their services cost last year?
3. How many inspections were made last year?
4. How do you think this service in your community could be made more efficient?
5. When you buy canned tomatoes, what size can do you select? How many ounces does it hold? How do the tomatoes in this can compare in price to the tomatoes sold in other sizes carried by your grocer?
6. How many farmers depend on tobacco as their main source of income?
7. Which declined more during the depression, the manufactured value of tobacco products or the income farmers received for their tobacco?
8. How did the AAA help to improve the condition of tobacco growers?
9. Did the Federal Trade Commission discover any evidence of collusion in the control of prices by the tobacco industry?
10. How much of the average price consumers paid for cigarettes in 1934 went to tobacco growers?
11. How does the Federal Trade Commission suggest that competition in the cigarette business might be encouraged?
12. Lemons are an excellent source of which vitamin? Why is this vitamin important?
13. Which is the most important lemon-producing State in this country?
14. What are three distinguishing marks of good value in lemons?
15. What services does the California Fruit Growers Exchange perform for its members? for consumers?
16. What are some of the kinds of "human erosion" which a well-balanced diet could reduce?
17. How does the money you have to spend for food each week compare with the amounts shown in "Food Patterns" for the workers studied in your section of the country?
18. What kinds of food and how much of each did you consume last week?
19. How did these foods compare in kind and amount with those for the workers studied in your section?
20. As families get more money to spend for food, which kinds of food do they usually buy in larger quantities?
21. What proportion of the Negro families studied were getting a dangerously low diet? What proportion of the North Atlantic white families?
22. In order to lift "Grade C" diet families up to "Grade A" level, what two things are necessary?

OUR POINT OF VIEW

The CONSUMERS' GUIDE believes that consumption is the end and purpose of production

To that end the CONSUMERS' GUIDE emphasizes the consumer's right to full and correct information on prices, quality of commodities, and on costs and efficiency of distribution. It aims to aid consumers in making wise and economical purchases by reporting changes in prices and costs of food and farm commodities. It relates these changes to developments in the agricultural and general programs of national recovery. It reports on cooperative efforts which are being made by individuals and groups of consumers to obtain the greatest possible value for their expenditures.

The producer of raw materials—the farmer—is dependent upon the consuming power of the people. Likewise, the consumer depends upon the sustained producing power of agriculture. The common interests of consumers and of agriculture far outweigh diversity of interests.

While the CONSUMERS' GUIDE makes public official data of the Departments of Agriculture, Labor, and Commerce, the point of view expressed in its pages does not necessarily reflect official policy but is a presentation of governmental and nongovernmental measures looking toward the advancement of consumers' interests.

In This Issue

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Some weeks ago we advised our subscribers by post card that we were revising our mailing lists and would have to drop from them the names of all subscribers who failed to notify us of their desire to continue to receive this publication.

These lists have now been revised and all names of subscribers from whom a request to continue their subscription was not received, have been dropped. If you were one who failed to respond to our notice and wish your subscription renewed, address your request to

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